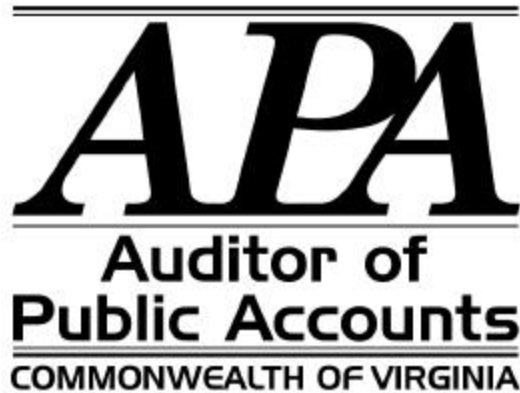


**OLD DOMINION UNIVERSITY  
NORFOLK, VIRGINIA**

**INTERCOLLEGIATE ATHLETIC PROGRAMS  
FOR THE YEAR ENDED  
JUNE 30, 2000**



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UNIVERSITY OFFICIALS

July 10, 2001

The Honorable James S. Gilmore, III  
Governor of Virginia

The Honorable Vincent F. Callahan, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission

Dr. James V. Koch  
President, Old Dominion University

### **INDEPENDENT AUDITOR'S REPORT ON APPLICATION OF AGREED-UPON PROCEDURES**

We have audited the financial statements of **Old Dominion University** as of and for the year ended June 30, 2000, and have issued our unqualified report thereon dated May 1, 2001. At the request of the President of the University, we have performed certain agreed-upon procedures to the University's Intercollegiate Athletics Programs for the fiscal year ended June 30, 2000, discussed below, solely to assist the University in complying with National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. This review to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the University. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### **Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs - Agreed-Upon Substantive Procedures**

- a. We obtained the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs (Schedule) for the year ended June 30, 2000, as prepared by the University and shown in this report. We recalculated the addition of the amounts on the Schedule, traced the amounts on the Schedule to management's worksheets, and agreed the amounts on management's worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. We noted no differences between the amounts in the Athletics Department's accounts in the accounting records and the amounts on the worksheets. We discussed the nature of work sheet adjustments with management and are satisfied that the adjustments are appropriate.

- b. We applied certain analytical review techniques to the balances reported on the Schedule in order to determine the reasonableness of amounts reported therein. These techniques included trend analyses and other tests using operating data and reviews of actual amounts expended in comparison to budgeted amounts.
- c. We reviewed the University's contract with the City of Norfolk for rental of the Scope Convention Center. The contract provided facilities for men's basketball games during the 1999-2000 basketball season. We determined that financial transactions relative to the contract were properly reported in the Schedule.
- d. The Intercollegiate Athletics Department receives no gifts or contributions directly. All gifts and contributions are received through the Old Dominion Intercollegiate Foundation, Incorporated.

Because the above procedures "a" through "d" do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we made an audit of any financial statements of the Intercollegiate Athletics Department of Old Dominion University in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to the President of the University. This report relates only to the accounts and items specified above and does not extend to the financial statements of Old Dominion University or its Intercollegiate Athletics Department taken as a whole.

#### **Internal Control Related to Intercollegiate Athletic Programs - Agreed-Upon Procedures**

The management of Old Dominion University is responsible for establishing and maintaining internal control for its Intercollegiate Athletic Programs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

- e. We reviewed an organizational chart provided by the Intercollegiate Athletics Department and discussed it with appropriate personnel. We reviewed documentation of accounting systems and operating procedures. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, and protection of records and equipment.

- f. We reviewed internal control over cash receipts and disbursements, including payroll, for the Intercollegiate Athletic Programs. We reviewed the relationship of internal control over Intercollegiate Athletic Programs to internal control reviewed in connection with the audit of the University's financial statements. Our review also included those controls unique to Intercollegiate Athletics that have not been reviewed in connection with the audit of the financial statements.
- g. We reviewed the University's procedures for monitoring activities of the Old Dominion Intercollegiate Foundation. The Intercollegiate Athletics Department is to receive a trial balance from the Foundation monthly. This report lists all expenditures from the scholarship accounts. This report is reviewed by the Assistant Director of Business Affairs for Athletics to ensure no unauthorized payments were expended from the scholarship accounts and to ensure that all revenues and expenditures are properly classified. Also, the Intercollegiate Foundation is audited annually by an independent certified public accountant. The Intercollegiate Athletics Department receives a copy of the resulting audit report. It should be noted that booster groups make no payments for or on behalf of the Intercollegiate Athletics Department.

Agreed-upon procedures "e" through "g" applied to certain aspects of the University's internal control were more limited than would be necessary to express an opinion on internal control of Old Dominion University in effect for the year ended June 30, 2000, taken as a whole. Because our review and evaluation was limited to applying those agreed-upon procedures, we do not express such an opinion. In connection with applying procedures "e" through "g" above, we noted a condition discussed under the heading "Internal Control Recommendations" which requires corrective action by management. This recommendation was discussed with management at an exit conference held on August 7, 2000.

This report is intended solely for the information and use of the University and authorized representatives of the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

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## **INTERNAL CONTROL RECOMMENDATIONS**

### **Improve Accounting Procedures over Cash Receipts**

Ticket managers did not sign ticket seller collection reports for men and women's basketball games. University policy requires these signatures as evidence that reports were verified prior to depositing funds. Also, management within the Department did not reconcile internal records to the University's accounting records to ensure proper recording of collections. University accounting records reflected game collections for the 1999-2000 season totaling \$31,331 less than amounts reported on the department's internal records.

Without these internal control procedures, the department cannot ensure that all collections are properly deposited and recorded. The Athletics Department should follow its established procedures to verify collection reports and reconcile amounts recorded on internal records with the University's accounting records. The Athletics Department performed subsequent reconciliations to account for the discrepancy noted above.

OLD DOMINION UNIVERSITY  
SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS  
For the Year Ended June 30, 2000

	Administrative and General	Student Athletic Scholarships	Baseball
Operating revenues:			
Student fees	\$ 6,243,130	\$ 1,279,189	\$ -
Season ticket sales	-	-	4,567
Gifts	-	350,132	-
Other income	389,504	-	-
Total operating revenues	6,632,634	1,629,321	4,567
Operating expenditures:			
Personal services	2,825,669	-	-
Contractual services	1,134,797	-	57,469
Equipment	160,430	-	-
Supplies and materials	134,430	-	21,090
Scholarships	-	1,629,321	-
Total operating expenditures	4,255,326	1,629,321	78,559
Excess (deficiency) of revenues over (under) operating expenses before transfers	2,377,308	-	(73,992)
Mandatory transfers - debt service	(936,546)	-	-
Non-mandatory transfers - (to)from other funds	(688,695)	-	-
Net increase (decrease) for the year	\$ 752,067	\$ -	\$ (73,992)

\*Other sports include field hockey, golf, soccer, swimming, tennis, wrestling, cross country, lacrosse, and club sports.

The accompanying Notes to the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs are an integral part of this Schedule.

Men's Basketball	Women's Basketball	Sailing	Recreational Sports	Summer Camps	Other Sports*	Total
\$ -	\$ -	\$ -	\$291,826	\$457,703	\$ 34,542	\$ 8,306,390
319,136	116,878	-	-	-	34,363	474,944
-	-	-	-	-	-	350,132
10,752	-	-	23,449	-	100	423,805
329,888	116,878	-	315,275	457,703	69,005	9,555,271
2,125	-	-	208,298	375,475	257,908	3,669,475
119,411	134,054	15,938	37,444	94,651	664,168	2,257,932
1,963	-	-	12,303	-	26,926	201,622
13,605	16,297	759	10,930	20,212	176,215	393,538
-	-	-	-	-	-	1,629,321
137,104	150,351	16,697	268,975	490,338	1,125,217	8,151,888
192,784	(33,473)	(16,697)	46,300	(32,635)	(1,056,212)	1,403,383
-	-	-	(7,908)	-	(98)	(944,552)
-	-	-	(275)	(25,837)	(893)	(715,700)
\$ 192,784	\$ (33,473)	\$ (16,697)	\$ 38,117	\$ (58,472)	\$ (1,057,203)	\$ (256,869)



OLD DOMINION UNIVERSITY  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS  
AS OF JUNE 30, 2000

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs has been prepared on the accrual basis of accounting. The purpose of this Schedule is to present a summary of current funds revenues and expenditures of the University's Intercollegiate Athletic Programs (including amounts expended on behalf of the University by the Old Dominion University Intercollegiate Foundation, Incorporated) for the year ended June 30, 2000. Because the Schedule presents only a selected portion of the University's activities, it is not intended to and does not present either the financial position, changes in fund balances, or current fund revenues and other additions, expenditures, transfers, and other deductions for the year ended June 30, 2000.

2. ALLOCATION OF ATHLETIC OVERHEAD COSTS

The University recovers overhead costs such as utilities and custodial services from all auxiliary enterprises on campus, including Athletics. The amount recovered is a percentage of each auxiliary enterprise's expenditures during the fiscal year. In the fiscal year ended June 30, 2000, the overhead rate charged to Athletics and other auxiliary enterprises was 9.67 percent.

OLD DOMINION UNIVERSITY  
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Dana D. Burnett, Vice President for Student Services

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James Jarrett, Athletic Director